

Washington, DC – Today, the U.S. House passed legislation – with Congresswoman Gwen Moore’s (D-Milwaukee) support – to reform the Federal Housing Administration (FHA) to help homeowners continue to get affordable mortgage insurance.

Congresswoman Moore said, **“Congress created the Federal Housing Administration during the Great Depression to help prevent housing market losses from impacting other parts of the economy. The recent economic downturn greatly impacted FHA, and reforming it today is critical to rebuilding our economy.”**

Specifically, the legislation:

- Allows for higher premiums on mortgages attained with low down-payments. This will help quickly restore FHA’s capital reserve, which has fallen below the rate required by law because of the housing crisis;
- Enhances FHA’s authority to stop bad lending practices by allowing for termination of approval in any instance of fraud; and
- Better manages risk by requiring more reporting to the public and to Congress.

Additionally, these reforms will cut spending and save \$2.5 billion over the next five years.

The bipartisan bill – supported by the National Urban League, the National Association of Realtors, the National Council of La Raza, the Mortgage Bankers Association, the National Community Reinvestment Coalition, and the National Association of Home Builders – overwhelmingly passed the House. It now goes to the Senate for consideration.

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